The need for Strategic Project Management Approach to Implement and Sustain Successful Economic Development Projects in Less Developed Countries (LDCs)

By Habeeb A. Quadri; MSc Econs, MBA, PMP
University of Maryland
PhD Program in Project Management

This paper is in response to a clarion call to fill the deficit in the literature of project management and economic development by stimulating the beginning of a discussion on the challenges, prospects and panaceas of implementing and sustaining economic development projects in LDCs by utilizing strategic project management as an alternative ground breaking approach. It should be noted however, that the interdisciplinary nature of project management has not been fully applied in many studies. Therefore, employing strategic project management to build sustainable economic development serves as sui-generis in the perennial quest by less developed countries for fresh, innovative and practical solutions to implement and sustain infrastructural architecture necessary for socioeconomic transformation and proper integration into the global economic mainstream.

Strategic project management approach to implement and sustain economic development projects addresses the holistic method of applying soft skill-set of project management body of knowledge (leadership, team management, complexity and ambiguity management, political and diplomatic relationship management) to develop capacity, competency and tacit knowledge (beyond structures, systems and procedures) necessary to ensure successful prioritization, management, implementation and procedural close-out of development projects portfolio in Less Developed Countries. This comprehensive but streamlined and unique approach [with emphasis on the baseline questions] simplify the modus-operandi necessary to reengineer the management and implementation of economic development projects to contain the logistics and strategic deficiencies that largely account for failure of economic development projects in LDCs.

Less Developed Countries generally have the same basic characteristic elements: low income, unproductive human capital and weak economic base. Currently, this group of countries termed as LDCs consist of most countries in Africa, Middle East, i.e. Angola, Bangladesh, Nigeria, Peru, Egypt, Yemen, Nepal, etc,. Botswana recently graduated in 1994 and Cape Verde in 2007 to a higher status of a “developing country”. Developing and/or Emerging nations are countries currently gravitating toward the status of an industrialized economy and such countries include Mexico, Turkey, and Indonesia as well as the former Asian Tiger: Taiwan, Singapore, Hong Kong and South Korea who were recently promoted to the status of industrialized nations. On the other hand,
industrialized nations are countries that are economically developed and stable such as USA, UK, Japan, France, Italy, etc.

Economic development is a broad macroscopic term used to refer to the general economic well being of a country while economic growth refers to an increase in the per capita income of a nation measured either in output or GNP term. Economic development became a household term after the 2nd World War following a period of impoverishment suffered by so many countries in Africa, Asia, Eastern Europe, etc, during the war. The aftermath of the war also brought into being, the International Bank for Reconstruction and Development (IBRD) as one of the five institutions of the World Bank Group. IBRD was saddled with the responsibility of rebuilding Europe and Japan after the war but given the massive devastation of the war the world over, IBRD, along with other institutions in the World Bank Group, including other international financiers like the London Club, the Paris Club, private organizations and foundations, etc, continues to fund socioeconomic development projects in less developed countries hitherto.

Therefore, economic development represents a gradual shift and progressive elaboration of the socioeconomic potentials of a nation (i.e. LDCs) from agrarian economy to more of an industrial and service economy engineered by technological advancement and investment in socioeconomic institutional infrastructure necessary for take-off and sustainability. Economic development goal may be as simple as poverty and inequality reduction, full employment, clean water supply, electricity generation, improved health care and education and increase in productive human capital. Its possible to achieve economic growth without economic development but economic development cannot be achieved without economic growth since sustained economic growth is termed as economic development.

Hence, this wealth creation process (i.e. economic development) requires a lot of investment in resources (human/capital/time/technology/etc) and incentives to drive and accomplish socioeconomic transformation in LDCs. However, effort to manage and implement these economic development projects has met with little, and diminishing marginal success due to wrong socioeconomic development project management model, inadequate project communication, corrupt practices, cultural tendencies, bad governance, uncertainty and infusion of scope-creep. This dismay picture urgently requires a new paradigm which project management epitomizes, most especially if economic development theory of Surplus Labor Model is employed in conjunction with project management leverage; tacit knowledge development (capital accumulation), to understand, hypothesize and explain LDCs' socioeconomic development problems and challenges to properly formulate tailored-made panaceas.

Thus, it is widely acclaimed that economic growth and development major drivers are technological innovation and knowledge development as postulated by Exogenous
Growth Model (a la Robert Solow) and evidenced in the economic growth and development trajectory of the United States and other major industrialized countries. Since strategic project management leverages heavily on tacit knowledge creation and innovative dynamism, it becomes even more pragmatic why strategic project management should be employed to manage and implement economic development project portfolio to build institutional infrastructure with a highly responsive private sector as a complementary and sustainability counterpart in the development continuum to achieve LDCs economic development goals and objectives.

Project management is defined as the application of knowledge, skills, tools, and techniques to project activities to create a unique product or service in order to meet or exceed stakeholder needs and expectations (PMI, PMBOK). Juxtaposing this characteristic definition with socioeconomic development projects’ unique and complex deliverables differentiated only by circumstances and culture, clearly establishes a strategic nexus to provide answers to very important development questions to balance the competing demand of triple constraints, establish clear and achievable objectives and formulate adaptive methodology to implement socioeconomic development projects in LDCs.

Strategic project management crystallizes the concept of project differentiation and integration management. The fusion of W5-H3 embodiments of a typical economic development project (what, when, where, who, why, how, how much and how well) and its application, relevance and dynamism to the whole gamut of economic development projects’ initiation, planning, executing, monitoring and closing. This process establishes a trajectory for easy performance evaluation and even easier identification of the root causes of development projects’ failure. This approach to manage and implement economic development will create simplified bedrock as a unique and authenticated scientific approach to analytical prognosis of intriguing real world challenges, prospects and panaceas of economic development project, program and portfolio management.

The strategic project management approach to economic development projects in Less Developed Countries (LDCs) underscores the urgent need to contain the alarming rate of failure of economic development projects in LDCs which corroborates the ongoing efforts of the World Bank (and other international economic development organizations/agencies) to meet the Millennium Development Goals (MDA) in LDCs. This is evidenced in the April 10th 2006 communiqué issued by The World Bank on an international conference themed “Business, NGOs, and Development Strategic Engagement to Meet the Millennium Development Goals in Africa”.

The World Bank emphasized a constructive synergy among the stakeholders; businesses, nongovernmental organizations, international donors/financiers, the
populace and the government to foster and accelerate the achievement of economic growth and development in less developed countries (LDCs). The release stressed, among others, the importance of the function of regional economies in the global economy, creating a skilled workforce, increasing the quality of life and expectancy, poverty reduction, reinventing and innovative business climate, including transparency in financial management and corporate governance of economic development projects in LDCs to engender meaningful and sustainable development.

Against this backdrop however, the dearth of well qualified project management professionals world-wide becomes apparent due solely to the early adopter stage of project management as a body of knowledge the world over (less than 25% of capacity). Shenhar & Dvir contend that “there seems to be a gap between what we need to know about projects and what we actually know” (Shenhar & Dvir, 2004).

This somewhat perennial human capital shortage phenomenon accentuates the difficulty and challenges faced by LDCs, particularly in terms of inadequate supply of project management technocrats directly from LDCs, who are also wired with a composite background in financial management and economics. These highly versatile indigenous human capital from LDCs understand the socio-cultural differences, the political economy of growth and development and the international bilateral relationship management including the endogenous and exogenous stakeholders’ implications on economic development projects deliverables.

To accomplish any meaningful economic development objective utilizing strategic project management approach, the project manager will seek to understand some pertinent questions in an attempt to properly investigate and understand the dichotomy and the anatomy of the unique LDC socioeconomic development challenges and prospects. The research questions will include, among others:

1. What are the major challenges to successful implementation?
2. Why are the challenges perennial?
3. What are the long term economic goals and objectives?
4. What is the short and long term economic development plan?
5. What structures, systems/procedures in place to manage economic development?
6. What are the root causes of these challenges?
7. What are the major sources of development funds?
8. Which sectors of the economy are responsible for the challenges/failure?
9. Who (society segment) perpetuate the problems?
10. When were the challenges/problems first identified and where?
11. What are the potentials for growth and development?
12. Who and what are the economic development drivers and how well equipped?
13. Who are the primary/secondary stakeholders and what are their needs and stakes?
14. What are the groundwork for success and success criteria?
15. What has been the most success proven approach?
16. What are the baseline questions?
17. What are success indicators?
18. What are failure indicators?
19. What has been the best practice regarding contract management?
20. What are the characteristics of the human capital and other technocrats?
21. What is the maintenance culture?
22. What are the lessons learned?
23. What are the open questions/issues on economic development?
24. What are the identified risk potential – politics, culture, external forces, etc?
25. What is the risk contingency plan and response?
26. How do we identify and celebrate development milestones?

The aforementioned scientific prognosis of the socioeconomic development past and present trends and findings will provide adequate informational data for evaluation, interpretation and analytical formulae to design and prioritize economic development projects portfolio while formulating panaceas to achieve the following objectives:

- Propose adaptable and sustainable economic development project model
- Provide strategic project management plans and roadmap for sustainable development
- Establish controls to measure progress and metrics for maintenance and sustainability.

In the final analysis, adopting project management approach to properly manage and implement economic development projects in developing countries inevitably necessitate the creation of an autonomous, well equipped and empowered National Project Management Office (NPMO). This independent strategic unit will employ among others, project management best practices, indigenous business culture, structure and economic strength and weakness, to create a unified platform necessary to sustain a marriage of convenience between project management processes and economic development models to formulate panaceas to manage the challenges and prospects of economic development projects in LDCs within the spectrum of the new international economic order (NIEO).
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About the Author

Habeeb Quadri

Habeeb Quadri, is a PhD candidate in Project Management Engineering at the University of Maryland, College Park, USA. Habeeb is a New York-based Entrepreneur/Managing Partner at Haquad Group Incorporation, and a previous management executive in the Financial District of New York, World Bank/USAID Development Economist and a Procurement Coordinator at ExxonMobil, Nigeria.

Habeeb is a certified professional in project management and risk management, with a graduate degree in International/Development Economics including an MBA in Project Management. Habeeb earned executive graduate certificates in Corporate Governance, Leadership, Management Consulting and, Strategic Innovation from Harvard and Stanford. Habeeb is well versed in accomplishing strategic goals and meeting critical deadlines in fast-paced, challenging and stressful environments.

Habeeb is an author and a speaker with research interests in PMO Leadership, Project Financials, Project Control, Development Economic Analysis and, Stakeholders Management. Habeeb can be contacted at hquadri@umd.edu.

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